

# **CONSOLIDATED NICHOLSON MINES LIMITED**

# ANNUAL REPORT

1968

## **REPORT OF THE PRESIDENT**

To the Shareholders:

We are pleased to submit the annual report for the year ended December 31, 1968 containing financial statements, a resumé of activities during the year, and a report on the company's new acquisitions and financing since the year end.

### **G A S P E**

Geological, magnetic and self-potential surveys were carried out on the company's 24-claim group in Boisbuisson Township, Gaspé. These indicated that the favourable contact alteration zone in which the adjoining Madeleine (Wexford) orebody occurs crosses the property in a precipitous area which has not been adequately explored as yet. Plans for 1969 include additional mapping, geochemical surveys, and further prospecting of two small copper showings located in this area in 1968. Your company now has a 100% working interest in the project.

Tentative agreement has been reached with another company to drill Consolidated Nicholson's 7-claim group in Lesseps Township, Gaspé. Under the terms of the draft agreement, your company would have the right to establish a 51% working interest in any development of the property.

### **NORTHWESTERN QUEBEC**

Fifty-one claims were staked in Tabernier, Tiblemont and Fiedmont Townships in the Louvicourt district of Northwestern Quebec, after discovery by other companies of high grade copper mineralization in the area. Geophysical surveys are scheduled for the current year.

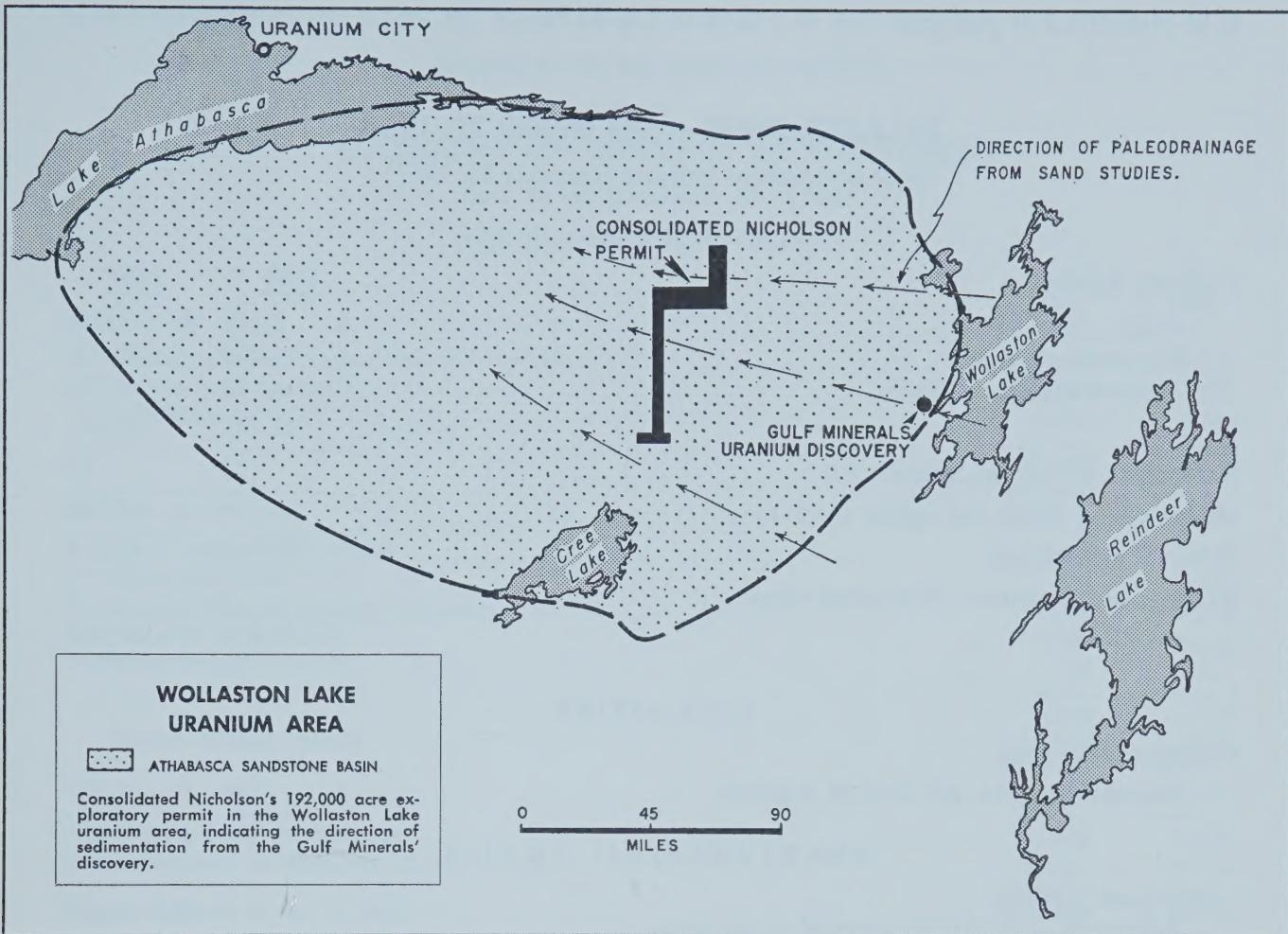
### **NEW BRUNSWICK**

A 90% working interest was acquired in 12 claims in Restigouche County, New Brunswick, and geophysical and geochemical surveys may be undertaken during 1969, depending upon results of other companies' work in the area.

### **WOLLASTON LAKE**

In February 1969, Consolidated Nicholson acquired a 300 square mile exploratory permit in the Wollaston Lake area of northern Saskatchewan. The permit is in the central part of the Athabasca sandstone basin and lies down the direction of palaeodrainage from the recent uranium discovery of Gulf Minerals, to the east. It covers a portion of a large trough that may have trapped uranium moving westward, either in solution or as placer material.

The elongate nature of the 192,000 acre permit gives it exposure to results of exploratory work in several adjoining permits; in this connection Gulf has announced a deep test to be drilled this year to the west of your company's acreage.



## FINANCING

Through an underwriting arrangement the company has received \$60,000 by sale of 240,000 treasury shares, and could receive \$30,000 more if options to purchase 120,000 additional shares are exercised by the underwriter. This has provided Consolidated Nicholson with sufficient funds to carry out its current programmes. A "Statement of Material Facts" covering this transaction has been filed with the Toronto Stock Exchange.

On behalf of the Board,

N. B. KEEVIL JR.  
President.

March 31, 1969

# CONSOLIDATED NICHOLSON MINES LIMITED

(Incorporated under the laws of Ontario)

## BALANCE SHEET — DECEMBER 31, 1968

(with comparative figures at December 31, 1967)

### ASSETS

CURRENT ASSETS	<u>1968</u>	<u>1967</u>
Cash . . . . .	\$ 7,419	\$ 8,913
Short-term deposits . . . . .	15,000	50,000
Accrued interest receivable . . . . .	72	230
	<u>22,491</u>	<u>59,143</u>
Investments, at cost (no market value) . . . . .	50	50
Mining claims, leases and option (note 1) . . . . .	43,846	35,126
Deferred expenditures . . . . .	89,090	61,614
Buildings and equipment, at nominal value . . . . .	1	1
	<u>\$ 155,478</u>	<u>\$ 155,934</u>

### LIABILITIES

CURRENT LIABILITIES	<u>1968</u>	<u>1967</u>
Accounts payable and accrued liabilities . . . . .	\$ 744	\$ 1,200

### SHAREHOLDERS' EQUITY

Capital stock (note 2)		
Authorized — 6,000,000 shares of no par value		
Issued — 5,164,003 shares . . . . .	1,690,620	1,690,620
Deficit . . . . .	1,535,886	1,535,886
	<u>154,734</u>	<u>154,734</u>
	<u>\$ 155,478</u>	<u>\$ 155,934</u>

Approved by the Board

N. B. KEEVIL Jr. Director

J. H. WESTELL Director

### AUDITORS' REPORT

To the Shareholders of

Consolidated Nicholson Mines Limited

We have examined the balance sheet of Consolidated Nicholson Mines Limited as at December 31, 1968 and the statements of deferred expenditures and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1968 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,  
March 28, 1969.

THORNE, GUNN, HELLIWELL & CHRISTENSON,  
Chartered Accountants.

**CONSOLIDATED NICHOLSON MINES LIMITED**

**STATEMENT OF DEFERRED EXPENDITURES**

**Year Ended December 31, 1968**

(with comparative figures for 1967)

	<b>1968</b>	<b>1967</b>
<b>EXPLORATION</b>		
Engineers' and geologists' fees and expenses .....	\$ 4,601	\$ 1,229
Surveys and linecutting .....	11,884	393
Miscellaneous .....	6,852	2,792
	<hr/>	<hr/>
	23,337	4,414
<b>ADMINISTRATION</b>		
Head office administration .....	2,400	2,400
Legal and audit .....	825	531
Shareholders' information expenses .....	1,339	1,204
Transfer agent's fees .....	1,989	1,558
Miscellaneous .....	326	527
	<hr/>	<hr/>
Deduct interest income .....	6,879	6,220
	<hr/>	<hr/>
	2,740	2,934
	<hr/>	<hr/>
	4,139	3,286
Expenditures (net) for the year .....	27,476	7,700
Balance deferred at beginning of year .....	61,614	53,914
	<hr/>	<hr/>
Balance deferred at end of year .....	\$ 89,090	\$ 61,614
	<hr/>	<hr/>

**STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

**Year Ended December 31, 1968**

(with comparative figures for 1967)

	<b>1968</b>	<b>1967</b>
<b>SOURCE OF FUNDS</b>		
	<hr/>	<hr/>
SOURCE OF FUNDS .....	Nil	Nil
	<hr/>	<hr/>
<b>APPLICATION OF FUNDS</b>		
Acquisition of mining claims .....	\$ 3,720	
Option payments .....	5,000	\$ 1,000
Exploration and administrative expenditures (net) for the year .....	27,476	7,700
	<hr/>	<hr/>
	36,196	8,700
Decrease in working capital .....	36,196	8,700
Working capital at beginning of year .....	57,943	66,643
	<hr/>	<hr/>
Working capital at end of year .....	\$ 21,747	\$ 57,943
	<hr/>	<hr/>

# CONSOLIDATED NICHOLSON MINES LIMITED

## NOTES TO FINANCIAL STATEMENTS

**Year Ended December 31, 1968**

	1968	1967
1. MINING CLAIMS, LEASES AND OPTION		
7 claims in Lesseps Township, Gaspé, Quebec, acquired for cash .....	\$ 10,500	\$ 10,500
45% interest in 15 claims in Jamieson Township, Porcupine Mining Division, Ontario, acquired for 150,000 shares valued at \$8,625 and \$7,500 cash .....	16,125	16,125
3 mineral leases in Nicholson Bay Area of Lake Athabaska, Saskatchewan, at nominal value .....	1	1
24 claims in Boisbuisson Township, Gaspé, Quebec, held under option (see below)	13,500	8,500
51 claims in Tavernier, Tiblemont and Fiedmont Townships, Quebec, at staking cost .....	3,720	\$ 35,126
	\$ 43,846	

By agreement dated October 7, 1966 and amendments, the company acquired an option to purchase 24 mining claims in Boisbuisson Township, Gaspé, Quebec. To December 31, 1968 the company has made payments of \$13,500 and in order to fully exercise the option must:

- (1) Make further payments of  
    \$15,000 on or before October 1, 1969  
    \$13,000 on or before October 1, 1970
- (2) Cause the incorporation of a new company with authorized capital of 4,000,000 shares of \$1 par value to acquire these claims,
- (3) Issue 250,000 shares of the new company to the optionors.

### 2. SUBSEQUENT EVENTS

#### Public offering of shares

Pursuant to an agreement dated February 3, 1969 the company made, through an underwriter, an offering through the facilities of the Toronto Stock Exchange of 240,000 shares, for net proceeds to the company of \$60,000.

In consideration thereof the company has granted to the underwriter a three month option, expiring June 17, 1969, to purchase an additional 120,000 shares at 25¢ per share.

#### Acquisition of mining claims

The Company has filed an exploration permit with the Province of Saskatchewan covering a 300 square mile area in the Wollaston Lake area of Saskatchewan at a cost of \$3,865. The Company has deposited \$25,000 in Government of Canada bonds for its undertaking to spend \$30,000 on exploration of the property in the first year of the permit. To maintain the permit, expenditures in the second and third years of \$45,000 and \$60,000 respectively are required. The annual acreage rental is \$3,840.

The Company has also acquired a 90% interest in 12 unpatented mining claims in Eldon Parish, Restigouche County, New Brunswick for consideration of \$600 cash.

**CONSOLIDATED NICHOLSON MINES LIMITED**

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*Directors*

N. B. KEEVIL JR., M.Sc., Ph.D., P.Eng., Toronto, Ontario  
*Vice-President, Teck Corporation Limited*

J. H. WESTELL, Islington, Ontario  
*Executive Vice-President, Keevil Mining Group Limited*

R. J. WRIGHT, Toronto, Ontario  
*Partner, Lang, Michener, Cranston, Farquharson & Wright*

R. E. HALLBAUER, Port Credit, Ontario  
*General Manager, Mining, Teck Corporation Limited*

J. L. MAY, B.Sc., P.Eng., Willowdale, Ontario  
*General Manager, Geophysical Engineering & Surveys Limited*

*Officers*

N. B. KEEVIL JR., *President*  
J. H. WESTELL, *Vice-President*  
J. A. S. GIBSON, *Secretary-Treasurer*

*Head Office*

Suite 4900, Toronto-Dominion Centre  
Toronto, Ontario

*Transfer Agent  
and Registrar*

CROWN TRUST COMPANY  
302 Bay Street, Toronto, Ontario

*Auditors*

THORNE, GUNN, HELLIWELL & CHRISTENSON  
Toronto, Ontario

*Annual Meeting*

May 22, 1969, 10:00 a.m. (Eastern Daylight Saving Time)  
Suite 4900, Toronto-Dominion Centre, Toronto, Ontario



**CONSOLIDATED NICHOLSON  
MINES LIMITED**

**Statement of Source and Application  
of Funds**

For Six Months Ended June 30, 1968

(*With comparative figures for 1967*)

	<u>1968</u>	<u>1967</u>
<b>SOURCE OF FUNDS:</b>		
Investment income .....	\$ 1,665	\$ 1,587
<b>APPLICATION OF FUNDS:</b>		
Administrative and exploration expenditures (net) for the six month period .....	12,015	6,188
Increase (decrease) in working capital .....	(10,350)	(4,601)
Working capital at beginning of period .....	57,943	66,643
Working capital at end of the period .....	<u>\$ 47,593</u>	<u>\$ 62,042</u>

Above Statement is unaudited and subject to adjustment.

**Consolidated Nicholson  
Mines Limited**

**AR45**



**INTERIM REPORT**

6 MONTHS ENDED JUNE 30, 1968

Executive Offices

Suite 4900

Toronto-Dominion Centre  
TORONTO, ONTARIO

# CONSOLIDATED NICHOLSON MINES LIMITED

To the Shareholders:

The company holds two properties in Gaspé, four near Val d'Or and one each at Timmins and Beaverlodge.

Geological mapping on the 24-claim property adjoining Les Mines Madeleine Ltée (Wexford) showed that the favourable hornfels-granite contact bisects the claims and geophysical work is now in progress. Any anomalies over the hornfels which suggest sulphides similar to those at Wexford will be drilled.

Trenching is in progress and at least one drill hole is planned on the 7-claim group northeast of Terra Nova in Gaspé.

No work was done on the company's claim groups near Timmins, Beaverlodge and Val d'Or although surveys are planned for the latter during the coming year.

The company has sufficient funds on hand for these programmes.

On behalf of the Board,



N. B. KEEVIL Jr.  
President

September 6, 1968

# CONSOLIDATED NICHOLSON MINES LIMITED

## Statement of Deferred Expenditures

For Six Months Ended June 30, 1968

*(With comparative figures for 1967)*

	1968	1967
<b>EXPLORATION:</b>		
Bridge construction .....	\$ —	\$ 1,048
Camp expenses .....	512	—
Engineers' and geologists' fees and expenses .....	1,245	311
Staking .....	3,720	—
Surveys .....	698	—
Miscellaneous .....	947	321
	<hr/> <b>\$ 7,122</b>	<hr/> <b>\$ 1,680</b>
<b>ADMINISTRATION:</b>		
Head Office Administration ...	1,200	1,200
Capital and Place of Business Taxes .....	152	152
Legal and Audit .....	300	193
Shareholders' information expenses .....	1,132	1,044
Transfer agent's fees and expenses .....	1,989	1,557
Miscellaneous .....	120	362
	<hr/> <b>4,893</b>	<hr/> <b>4,508</b>
Deduct interest income .....	1,665	1,587
	<hr/> <b>3,228</b>	<hr/> <b>2,921</b>
<b>Expenditures (net) for the six month period .....</b>	<b>10,350</b>	<b>4,601</b>
Balance deferred at beginning of year .....	61,614	53,914
Balance deferred at end of period	<b>\$ 71,964</b>	<b>\$ 58,515</b>

Above Statement is unaudited and subject to adjustment.